

Annex VI: Accreditation assessment of applicant 115 (APL115)

I. Introduction

1. Applicant 115 (APL115), the Jamaica Social Investment Fund (JSIF), is a national direct access entity based in Jamaica. JSIF is responsible for planning, initiation, implementation and close out or evaluation of sustainable development projects across the island of Jamaica. With a focus on infrastructure, disaster risk reduction, agriculture, health and livelihood, and education and tourism, the applicant facilitates the empowerment of communities and assists in building national capacity to effectively implement community-based programmes, targeting vulnerabilities associated with poverty, crime, environment, disaster and climate change as well as issues impacting vulnerable groups.

2. The applicant submitted its application for accreditation to GCF via the online accreditation system on 11 October 2018 following pre-accreditation support for the entity to strengthen its capacities to be able to meet the GCF accreditation standards and undergo accreditation to GCF, funded by the GCF Readiness and Preparatory Support Programme. Accreditation fees were received from the applicant on 30 November 2018, thereby launching the stage I institutional assessment and completeness check. Stage I was completed on 21 December 2020 and the applicant was progressed to the stage II (step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the GCF fit-for-purpose approach:

- (a) **Access modality:** direct access, national. The applicant received a national designated authority (NDA) or focal point nomination for its accreditation application from Jamaica;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or activity within a programme:** small¹ (including micro²);
- (d) **Fiduciary functions:**³
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management; and
 - (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2)).⁴

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the GCF, of above USD 10 million and up to and including USD 50 million for an individual project or an activity within a programme.”

² As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the GCF, of up to and including USD 10 million for an individual project or an activity within a programme.”

³ Decision B.07/02.

⁴ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures,” and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.”

II. Stage I institutional assessment and completeness check

3. The applicant applied and was assessed by the Secretariat during stage I under the normal track accreditation process in accordance with the GCF policies and standards to the extent applicable to accreditation below:

- (a) “Updated Strategic Plan for the Green Climate Fund: 2020–2023” (decision B.27/06);
- (b) “Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund’s Fiduciary Principles and Standards and Environmental and Social Safeguards” (decision B.07/02);
- (c) “Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach” (decision B.08/02);
- (d) “Interim Policy on Prohibited Practices” (exhibit A of the accreditation master agreement considered in decision B.12/31);
- (e) “Policy on Prohibited Practices” (decision B.22/19);
- (f) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (AML/CFT Policy) (decision B.18/10);
- (g) “Policy on the Protection of Whistle-blowers and Witnesses” (decision B.BM-2018/21);
- (h) “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10);
- (i) “Comprehensive Information Disclosure Policy of the Fund” (decision B.12/35) regarding the disclosure of environmental and social (E&S) risk information;
- (j) “Gender Policy and Action Plan” (decision B.09/11); and
- (k) “Updated Gender Policy and Gender Action Plan 2020–2023” (decision B.24/12).

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as part of the application. The applicant was established in 1996 as a component of the Government of Jamaica’s national poverty alleviation strategy. JSIF was incorporated under The Company’s Act of Jamaica on 28 February 1996 and signed a memorandum of understanding with the Government of Jamaica on 24 June 1996.

2.2 Institutional presence and relevant networks

5. The applicant is a national fund with 98 employees in 2019 and is headquartered in Kingston, Jamaica. It works with central and local government, non-government organizations, communities, and private and public organizations. The applicant’s main business areas include community-based socioeconomic, infrastructure, and social services projects.

6. JSIF is committed to supporting Jamaica’s efforts to tackle the effects of climate change and the applicant’s focus has increasingly been the vulnerabilities associated with livelihoods, disaster and climate change. In line with Jamaica’s National Development Plan for Hazard Risk Reduction and Adaptation to Climate Change, JSIF seeks to improve protection of the most vulnerable people from externalities by increasing the resilience of the country’s natural ecosystems to climate change. The applicant also intends to apply ecosystem-based adaptation approaches as the primary approach to counter climate change and incorporate climate change adaptation and/or mitigation approaches in all development plans.

7. The applicant intends to use GCF funding for cross-cutting projects and programmes to:
 - (a) Increase adaptation to existing and future climate impacts and reduce greenhouse gas emissions;
 - (b) Develop projects aimed at carbon sequestration to improve the removal of carbon from the atmosphere and to reduce sources of emissions; and
 - (c) Improve the livelihoods of poor and vulnerable populations, especially in rural areas, and provide the necessary sensitization and awareness training with a view to reducing environmental degradation and perpetual vulnerability.

8. The applicant is one of three nominated entities by Jamaica and is included in the country programme endorsed by GCF. The three entities nominated by Jamaica have strong complementarity: for example, according to the NDA, it is envisaged that the applicant would be able to provide support to the climate projects at the community level working with community groups and civil society organizations, whereas the Planning Institute of Jamaica will be serving the public sector at large and the Development Bank of Jamaica will be focused on the micro and small and medium-sized enterprises in the private sector. The NDA has indicated that it is awaiting the accreditation to fully programme the applicant as an implementing entity for its pipeline.

9. The JSIF is mandated to mobilize resources and channel these to community-based socioeconomic infrastructure and social services projects, including those with climate change resilience-building potential. The JSIF works through a national partnership between central and local government, communities, and private and public organizations to empower communities and assists in building national capacity to effectively implement community-based programmes aimed at social development.

2.3 Track record

10. The applicant has executed several climate change adaptation and mitigation projects in Jamaica, financed by national and international public and private institutions. The project areas include solid waste management and sanitation, electricity regularization and disaster risk reduction.

11. The applicant's track record in managing sustainable development and climate change related projects includes the following:

- (a) USD 42 million (loan received, community-based contracting and enterprise on-granting) provided by the International Bank for Reconstruction and Development (IBRD) for the Integrated Community Development Project in Jamaica;
- (b) USD 30 million (loan received) provided by the IBRD for the Jamaica Disaster Vulnerability Reduction Project;
- (c) USD 44.7 million (low-value grants) provided by the European Union for the First to Fourth Poverty Reduction Programmes (PRP I-IV); and
- (d) USD 4.8 million (grant) provided by the Caribbean Development Bank for the Basic Needs Trust Fund 6th Cycle project in Jamaica.

III. Stage II accreditation review assessment

12. The applicant applied under the normal track accreditation process. Its application has been assessed by the Accreditation Panel (AP) during stage II (step 1) against the standards of GCF to the extent applicable to accreditation in accordance with:

- (a) The GCF policies and standards identified in paragraph 3 above; and
 - (b) “Revised Environmental and Social Policy” (decision B.BM-2021/18).
13. As part of this assessment, the AP consulted the applicant’s website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

3.1.1. Basic fiduciary standards: key administrative and financial capacities

14. As a government-owned entity, JSIF sets its long term and annual objectives to advance community and national development. As such, JSIF’s role is to channel funds to community-based socioeconomic infrastructure and social services projects in partnership with government and non-state actors. JSIF reports to the office of the Prime Minister of Jamaica and is overseen by its board of directors, with 10 subcommittees in the following areas: management review; projects; finance; audit; national contracts; ethics; social review; technical review; human resource; and bid evaluation. JSIF budgets and plans are set by the Government of Jamaica as part of the overall annual budget for the country. The portion of the national budget allocated annually to JSIF determines the projects and programmes that JSIF supports and implements. The high-level government objectives that drive JSIF’s projects are tracked by key performance indicators to which each department is held in support of the achievement of the overall goals.

15. JSIF has a strong monitoring and evaluation unit that reports to a senior manager. The unit coordinates the utilization of contemporary results-based monitoring and evaluation methods and processes to report on the JSIF’s performance both as an organization and across project portfolios in the context of the objectives of the JSIF, its donor agencies and the Government of Jamaica. Responsibilities include providing qualitative and quantitative information on the execution of selected interventions, procurement and contractual decisions, accounting and financial recording, progress towards organizational and portfolio outcomes and outputs. Compilation of statutory reports for donors and the Government of Jamaica, among others, is undertaken along with critical oversight being provided to ensure funds are targeted efficiently, value for money is obtained and sustainable development for the underserved communities is stimulated.

16. The applicant’s external auditors prepare annual statutory financial statements in accordance with International Financial Reporting Standards and the requirements of the Jamaican companies act. Management information system (MIS) reports are generated monthly, quarterly and annually for senior management and the board. A fund manager software tool tracks projects from initial request, through appraisal, procurement, implementation and supervision. An accounting system called ACCPAC is used to provide financial and accounting information as well as for tracking electronic funds transfers. In addition, there is a funding agency MIS tailored to meet the requirements of each funding agency. This would be adapted to meet the specific reporting requirements of GCF projects.

17. The audit committee is appointed by the JSIF board with at least three members, all of whom are independent and one of which represents the Ministry of Finance. The JSIF internal audit is governed by a charter that sets out the independence, purpose, authority and responsibility of the function. Internal audits are carried out in accordance with internationally recognized standards while meeting the needs of the Government of Jamaica and the JSIF management. The chief internal auditor is independent and reports to the JSIF board through the audit committee on a monthly and quarterly basis, summarizing the results of completed audits, status of management actions to address audit findings, as well as other issues, as directed by the committee.

18. The JSIF internal controls framework is overseen by the audit committee, including reviewing management and internal auditor reports on the effectiveness of the systems for financial control, reporting and risk, and the adequacy of the computerized information system for controls and security. Other responsibilities of the audit committee include the procedures for the prevention of conflicts of interest, the detection of fraud and corruption, and the arrangements for staff to raise concerns, in confidence, about possible issues relating to financial reporting, financial controls, procurement procedures and any other matters.

19. JSIF is required to meet the procurement policies of the Government of Jamaica as well as the agencies it works with, including the World Bank, the Caribbean Development Bank and the European Union. As such, JSIF follows the procurement processes of its donor entities with a procurement committee responsible for the review of policies and procedures, and the review of contracts including those of executing entities. Evidence of fair and transparent procurements has been provided and the dispute resolution processes are outlined in the bidding documents. There have been no procurement complaints during the past three years.

20. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on key administrative and financial capacities.

3.1.2. Basic fiduciary standards: transparency and accountability

21. On joining JSIF, staff and consultants are required to sign an employee contract for conflict of interest and code of ethics. The JSIF human resources committee is responsible for and manages oversight of ethical issues. This requires all employees to act with the utmost integrity, honesty and objectivity, striving at all times to enhance the performance and reputation of the organization. Staff are also required to sign an employee fraud policy acknowledgement form. The whistle-blowers policy prohibits legal action being taken against whistle-blowers. Government employees, which include JSIF staff, who feel at risk of victimization can ask for a transfer to another job and can also apply to a court to stop victimization and to seek damages.

22. JSIF has an investigative function which is managed within its internal audit department. The chief internal auditor is functionally independent and reports directly to the board through the audit committee. This ensures objectivity and independence. JSIF has an AML/CFT policy that was updated in July 2020. It is the policy of the organization to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable requirements under Jamaican and international laws and regulations. The JSIF 'know-your-customer' policy is included in its AML/CFT policy and addresses four key elements: client identification and verification; client acceptance; monitoring of clients; and risk assessment of client relationships. Copies of recent 'know-your-customer' reports have been provided that demonstrate the effectiveness of this function.

23. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the basic fiduciary standards on transparency and accountability, and to the extent applicable to accreditation, the GCF Policy on the Protection of Whistleblowers and Witnesses,⁵ the GCF Policy on Prohibited Practices⁶ and the GCF AML/CFT Policy.⁷

3.1.3. Specialized fiduciary standard for project management

⁵ Decision B.21/25 and annex II thereto.

⁶ Decision B.22/19 and annex XIV thereto.

⁷ Decision B.18/10 and annex XIV thereto.

24. The JSIF operations manual details the procedures for project appraisal. A risk assessment is done during the preparation stage, at several levels, beginning with the social and technical appraisal by the project teams. A complete appraisal report is prepared, which addresses the economical, technical, environmental, social, legal and other operational risks. These reports are passed through the various committees: first by the technical review committee chaired by a senior management followed by the review of the full senior management; second by the projects committee (a subcommittee of the board); and finally it goes to the full JSIF board for approval.

25. JSIF has provided the Government of Jamaica project proposal form that is used to design and present projects. It is issued by the Public Management Investment Secretariat of the Government of Jamaica and it requires key performance indicators with baselines, targets, objectives and expected outcomes to be incorporated into the project design for funding proposals. Details of recent projects demonstrate that project objectives, outcomes and key performance indicators are established at the project design stage. Also demonstrated is the assessment of technical, financial, economic and legal aspects as well as possible environmental, social and climate change aspects relevant to each project proposal.

26. JSIF has provided details and examples of how quality review is addressed at various stages and levels during project design and implementation, and during the review, appraisal and approval stages. This includes procedures for monitoring, follow up and corrective actions during project implementation. The JSIF policies and procedures relating to project closure, including reporting on results achieved, lessons learned and recommendations for improvement, are embedded in the operations manual. Capacity to disseminate results and making key findings publicly available are part of the JSIF public disclosure policy and its monitoring and evaluation (M&E) policy. This policy shows how organizational M&E is segregated from functions at the portfolio level, and a results-based matrix for a project has been provided that demonstrates the tools and templates used for the M&E function. In addition, monthly reports from the finance department track expenditures against budget for each project in the JSIF portfolio. Examples of M&E reports and independent evaluations are available on the JSIF website.

27. The JSIF operations manual has a recently updated section on subproject supervision, which explains how projects at risk are identified. An example has been provided showing how issues are identified and what mitigation measures are taken. Project audit reports have also been provided that demonstrate the effective implementation of risk management systems and procedures.

28. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the specialized fiduciary standard for project management.

3.1.4. Specialized fiduciary standard for grant award and/or funding allocation mechanisms

29. The JSIF community-based contracting (CBC) manual provides full details of the grant award programme, with extensive use of application forms and checklists. CBC provides grants to local projects that help to address social and poverty-reduction objectives. The processes of inviting proposals, then assessing, appraising and approving them via a grant award evaluation committee are well documented in the CBC manual. Applicants for the grants are informed of the results with reasons if rejected, and grant award details are published on the JSIF website. The CBC manual also provides details of the composition and terms of reference of members of the CBC committee.

30. Requests for proposals for grant awards are published on the JSIF's website, in national newspapers and at the Jamaican Social Development Commission. Eligibility criteria are clearly

described in the announcements. The grant award evaluation committee has four members. They review the technical; the environmental, social and gender; and the fiduciary aspects of proposals. The committee is chaired by the executive secretary of JSIF and members are generally JSIF staff, supported by external members when specific expertise is needed. All members are required to confirm that they do not have conflicts of interest in serving on this committee and that they agree to assess proposals impartially. Terms of reference of members of the committee are documented in the CBC manual, and examples of agendas and minutes have been provided.

31. There is a clear process of approval of grant awards, which starts with the evaluation committee and finishes with approval by the JSIF board. Decisions are taken in accordance with the recommendation of the evaluation committee, and the grant award process is tracked on the fund manager section of the MIS, which ensures that a beneficiary can only receive one grant for a proposal. At the end of the process, and once all validation checks have been successfully completed, a final completion certificate is issued. Unsuccessful grant applicants are provided with reasons for their proposal being rejected. Examples of recent rejection and acceptance letters have been provided.

32. The CBC programme requires the local community that will benefit from the project to provide at least 10 per cent of the cost of the project, either in cash or in kind. In addition, each proposal is required to show who will manage the project, whether that is an external contractor (subject to strict procurement procedures) or individuals or a team within the community. Whoever is charged with managing the project is referred to as the community-based organization, and their capacity is assessed as part of the evaluation and appraisal of the project. JSIF uses a process called MONFIS⁸ to assess the capacity of the community-based organization.

33. The grant financing agreement signed with awardees, and the examples provided of bills of quantities, clearly demonstrate how JSIF is assured of the authenticity and eligibility of activities being supported by the grant. Examples have been provided of audit reports, site visit reports and project status updates. Audits of the CBC programme are done by both the JSIF IAD and the external auditors. These include checks of the expenditure of grantees; and the CBC manual addresses the issue of misappropriation or mismanagement of funds. There are clearly defined procedures for recovery of funds paid to grantees, in respect of expenditures that are unauthorized or fall outside the scope of the project, or for any other breach of the grant award contract with the grantee. Such cases have been rare and are included in the annual audit report on the programme.

34. There is a system in place for supporting beneficiaries of grants through counselling and advice during implementation of grant award activities. Unsuccessful applicants can also benefit from advice on how their proposals could be strengthened to meet eligibility criteria and to present a successful proposal in the future. JSIF has active and successful grant programmes with the World Bank, the Caribbean Development Bank and with the European Union Directorate General for International Cooperation and Development (DG DEVCO). Articles and reports demonstrate that JSIF is well regarded and in good standing with these multilateral organizations.

35. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the specialized fiduciary standard for grant award and/or funding allocation mechanisms.

⁸ MONFIS stands for Management; Organization; Networking and mobilization; Financial management and fundraising; Impact; and Sustainability.

3.1.5. **Specialized fiduciary standard for on-lending and/or blending (for loans, equity and/or guarantees)**

36. The applicant did not apply for accreditation for this standard at this time.

3.2 Environmental and social safeguards

3.2.1. Environmental and social policy

37. The applicant's environmental and social management system has undergone a significant evolution, in keeping up with the international best practice. The applicant's most recent E&S policy is its "Environmental and Social Framework (ESF)" which was approved by its management in June 2020.⁹

38. The ESF updates and replaces the applicant's 2015 environmental management system (EMS) based on ISO 14001 and its 2016 environmental and social management framework (ESMF), which was based on the World Bank's operational policies. The EMS and by extension the ESMF were applicable to all project portfolios regardless of funding sources including the Government of Jamaica, World Bank, Caribbean Development Bank, European Union, Inter-American Development Bank, and the PetroCaribe Development Fund. The ESF was developed in response to the new requirements of funding partners. The ESF integrates both environmental and social standards into a single policy document. The ESF is aimed at ensuring that the execution of applicants' projects/programmes is in alignment with the national laws and the requirements of project funders. It provides the approach for identifying and managing the environmental and social requirements of project funders.

39. The main objectives of the ESF are to develop and implement subprojects that are environmentally and socially sustainable; identify and determine project E&S risks and establish procedures to avoid, minimize, reduce or mitigate the potential adverse risks and impacts; build the capacity of stakeholders to successfully implement projects in accordance with the environmental and social standards of international funders; establish a foundation for continual improvement in the management of E&S risks; and establish a set of standardized environmental and social guidelines and due diligence procedures that must be followed in order to access international funding.

40. To meet the requirements of funding partners and those of the applicable local authorities and regulatory entities, the JSIF has aligned its ESF with ten international environmental and social policy standards (ESPs). ESPs 1–8 are the same as the International Finance Corporation performance standards 1–8 (PS 1–8), but PS 9 on financial intermediaries does not apply because the applicant does not work through financial intermediaries. The JSIF ESP 10 is on stakeholder engagement and information disclosure. These ESPs were established to help the JSIF manage the risks and impacts of a project, and improve its environmental and social performance through a risk and outcomes-based approach. These standards reflect a paradigm shift from the 'do no harm' to a 'do good' approach to project implementation.

41. The applicant's Managing Director is responsible for ensuring conformance with the ESF and is responsible for its execution. The ESF has been communicated to the applicable stakeholders, including staff, and is also posted in applicant's intranet as well as on the JSIF website.

42. The AP finds that the applicant's environmental and social management system, comprising the environmental and social policy, supported by evidence of its track record, fully

⁹ See

<<https://www.jsif.org/sites/default/files/JSIF%20ENVIRONMENTAL%20AND%20SOCIAL%20FRAMEWORK%20ESF%20-%20FEBRUARY%202021.pdf>>.

meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, and the GCF interim environmental and social safeguards (ESS) standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.2. Identification of environmental and social risks and impacts

43. The applicant finances and implements a variety of small-scale community-level projects in rural, peri-urban and urban areas. These projects are expected to have generally positive environmental impacts, albeit some could result in minor adverse environmental impacts that would be mostly local and reversible. Occasionally, there may be a need for involuntary land acquisition under eminent domain to meet the requirements of land for a project.

44. In 2016 the applicant adopted its ESMF, which was based on the Operational Policies of the World Bank. Subsequently, the applicant adopted an updated ESMF for its Rural Economic Development Initiative (REDI II). The main objectives of the updated ESMF are to: establish procedures for screening all proposed projects for their potential adverse environmental impacts and land requirements/acquisitions; specify measures for managing, mitigating and monitoring environmental impacts during project implementation and operation; and outline the training and capacity-building arrangements needed to successfully implement the provisions of the ESMF. The updated ESMF includes tools on the applicant's institutional processes to identify the E&S risks and impacts of projects/programmes including for the subprojects consistent with ESPs 1–10 articulated in the ESF.

45. Depending on the magnitude of the potential impacts of projects or subprojects, the E&S risk level may be categorized as High, Substantial, Moderate or Low, which correspond to the GCF E&S risk categories A, B, -B and C, respectively. The risk level of the project will determine the type of additional E&S assessments that may be required and the extent of the mitigation measures to be implemented including the need for any changes in the design of the projects/programmes. The risk level will also be a determinant as to whether the applicant will pursue the subproject, at least in the proposed location. Where the risk of significant impact is too high and/or where the proposed mitigation measures are not viable, the applicant will forego the subproject and seek an alternative site if possible or feasible.

46. The applicant's REDI II ESMF provides evidence on its track record in applying the procedures consistent with the ESF on identification of E&S risk and impacts of projects/subprojects including E&S risk categorization. The applicant facilitated an online viewing for the AP of its computerized MIS to demonstrate the implementation of E&S risk and impacts identification, and its E&S management and monitoring processes in line with the ESMF and ESF.

47. The AP finds that the applicant's system of identifying E&S risks and impacts, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, and the GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.3. Environmental and social management programme

48. The ESF and the updated ESMF describe the applicant's institutional processes for managing mitigation measures and actions stemming from the E&S risk identification process. The applicant assesses, manages and monitors the E&S risks and impacts of all applicable projects/subprojects throughout their life cycle and in accordance with the requirements of its applicable standards, ESP 1–10.

49. High-risk projects may require an environmental permit to be obtained and an environmental and social impact assessment to be conducted prior to implementation of the projects/programmes. A site-specific environmental and social management plan (ESMP) will also be developed for high-risk projects and programmes, including subprojects. Projects assessed as Substantial and Moderate risk may require an environmental permit; however, an environmental and social impact assessment is rarely required. Standard environmental and social screening and assessment is required. The applicant's generic ESMP is applied to the management of environmental and social issues for these projects/programmes, including subprojects, in those risk categories. Projects/programmes are classified as Low risk if the potential adverse risks and impacts and issues on human populations and/or environment are likely to be minimal or negligible. These projects/programmes, with few or no adverse risks and impacts and issues, will not require further environmental and social assessment.

50. At the project/programme level, E&S risk assessment will be conducted by the applicant during the E&S risk and impacts identification and appraisal to determine the overall risk level for the project/programme and to outline any additional assessment that should be conducted throughout the implementation of the project/programme. Where a project/programme involves the implementation of multiple subprojects for which the exact location cannot be ascertained during the appraisal, an ESMF will be used as the tool for environmental assessment and monitoring. A generic ESMP will be included in the ESMF, which will outline the potential risks; mitigation measures; who is responsible for implementation of the proposed mitigation measures; and the associated costs of the mitigation measures. The ESMF will be used to manage the E&S risks of the subprojects throughout the project cycle.

51. The applicant may also develop an environmental and social commitment plan (ESCP): an instrument required for specific projects that forms part of the legal agreement for projects. The ESCP reflects an accurate summary of the material measures and actions to address the potential E&S risks and impacts of the project in accordance with the mitigation hierarchy.

52. As evidence of its track record, the applicant has provided the ESMF for the REDI II of October 2018. The REDI II ESMF describes the requirement for developing an ESMP to be incorporated into the bidding documents when procuring contractors and consultants to implement the project. The applicant provided a sample of an ESMP for its projects/programmes including subprojects.

53. The applicant is an ISO 14001:2015 certified organization, and one requirement of that certification is that the EMS must be audited at least once per year by a qualified team of trained internal auditors. The EMS is audited annually by an independent external auditor for compliance with the ISO standard. The JSIF currently has a cohort of approximately 16 staff that have been trained to conduct internal EMS audits to the ISO 14001:2015 standard. The internal EMS audit team carried out planned audits annually over the 11-year life of the JSIF EMS. Auditors are assigned areas to assess that are independent of their job functions. A comprehensive report of the audit findings is prepared and documented as required by the ISO standards. A corrective action request is prepared by the auditors for each finding or non-compliance, and this is signed off by the auditor only after implementation of corrective measures. The issues are tracked to determine if the corrective actions are effective. The applicant provided copies of internal and external audit reports on its EMS.

54. The AP finds that the applicant's E&S risk management programme, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, and the GCF interim ESS standards for maximum E&S risk category B/1-2 projects/programmes with respect to performance standards 1-8.

3.2.4. Monitoring and review

55. The applicant's ESF describes its internal processes to support a monitoring/supervision programme that tracks and ensures completion of mitigation and performance improvement measures. The updated REDI II ESMF and the Environmental Management System Procedures Manual (November 2015) also contain the applicant's monitoring and reporting procedures. All projects/programmes or subprojects are monitored during implementation to ensure that work activities are being carried out in accordance with the environmental and social performance standards. The ESMP and ESCP form the basis for monitoring the environmental and social performance of the projects/subprojects. The E&S risk monitoring is carried out by the applicant's relevant technical staff including environmental and social officers. However, where applicable, qualified external consultants may be contracted to carry out monitoring activities and to assess for potentially new or unforeseen E&S risks.

56. As evidence of its track record on monitoring and reporting, the applicant provided a sample of E&S risk monitoring reports for subprojects implemented under its Integrated Community Development Project financed by the World Bank, including on-granting. That project is aimed at improving access to urban infrastructure and services and increasing public safety in economically depressed and socially volatile communities in Jamaica.

57. The applicant facilitated online viewing by the AP of the MIS to demonstrate the applicant's processes on screening, monitoring, supervision and mitigation measures. The applicant conducts an annual management system review with senior management, as a requirement of the environmental and social management system. The exercise is a detailed assessment of the performance of the environmental and social management system over the reporting period and outlines, in general terms, plans for any changes to the system. A sample of a management system review report was provided.

58. The AP finds that the applicant's system of E&S risk related monitoring and review, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, and the GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1-8.

3.2.5. External communications, consultations, information disclosure and grievance redress mechanism at the institutional level

59. The applicant's external communication channels are provided in the ESF, which states that affected persons or any other interested parties can lodge complaints or provide feedback through multiple channels, including: the JSIF officer assigned to the project; the site supervisor; JSIF telephone lines; project environmental consultants; via the JSIF social media platforms (Instagram, Facebook and Twitter); emails addresses and fax numbers; and a link on the JSIF website.

60. The applicant has established an institutional-level grievance redress mechanism (GRM) policy that is applicable to all projects to be implemented.¹⁰

61. The GRM policy is also outlined in ESPs 10 of the ESF as well as in its internal operations manual and its CBC manual. The GRM policy is designed to be culturally appropriate and accessible to affected vulnerable people; and considers the availability of judicial recourse and customary dispute settlement mechanisms among indigenous peoples. The GRM policy will be implemented by the applicant's grievance redress team, which will comprise the Social Development Manager, a social officer, a project officer and an environmental officer. The manager for the project which is subject to the grievance will also be invited to participate in assessing and resolving the grievance. The legal officer will provide legal guidance throughout

¹⁰ See <<https://www.jsif.org/sites/default/files/Grievance%20Redress%20Mechanism%20Policy.pdf> and also available in its website at: <https://www.jsif.org/content/jsif-corporate-profile>>.

the process of resolving grievances and, where necessary, will approve documents. The applicant provided information on the composition, qualifications, experience and reporting lines of the grievance redress team that would manage any E&S risk grievance for GCF projects/programmes.

62. While the grievance redress team will be directly responsible for implementing the activities to ensure that grievances are resolved, the IAD (led by the chief internal auditor) will provide independent oversight of the process. The IAD is staffed with an auditor with over twenty years of experience and an internal audit assistant to whom delegation takes place with the oversight of the chief auditor. The IAD is not only skilled at handling audit issues but also has experience of receiving various complaints ranging from project or employee complaints, to the conduct of external stakeholders. The IAD reports to the JSIF board through the audit committee. The applicant provided CVs of the chief internal auditors who would provide an independent oversight on the GRM. The applicant provided a copy of its log on previously managed complaints.

63. Through multiple consultations, the grievance redress team will ensure that community members, particularly those affected by the project, are informed about the avenues for grievance redress. Communities will also be notified of the GRM in project information meetings and through other State entities including the Social Development Commission. The grievance team will ensure that records of grievances received and the result of attempts to resolve these are maintained. This information will be entered into the applicant's MIS and be included in the regular progress reports, including the date of the dispute, the nature of the dispute and how it was resolved. Additionally, representatives of line ministries of other partnering government agencies can communicate grievances on behalf of people affected by the project to JSIF. Complaints will be noted in a grievance log with a response time of between 1 and 4 weeks, depending on the complexity of the issue.

64. An addendum to the ESF outlines the JSIF environmental and social disclosure policy that is consistent with the requirements of the GCF Information Disclosure Policy, particularly related to E&S risk category B/I-2. The applicant has a track record on disclosure and consultation of its E&S risk assessments for its World Bank funded projects/programmes. The applicant's CBC manual includes the provision for the applicant's executing entities to include GRM at the project level. The applicant provided evidence on its track record on disclosing E&S risk assessments to the public and also of inclusion of its GRM in its projects/programmes.

65. The AP finds that the applicant's system of external communications, consultations, information disclosure and grievance redress mechanism, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, the GCF interim ESS standards and the GCF Information Disclosure Policy regarding E&S risk information disclosure requirements for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1-8.

3.2.6. Organizational capacity and competency

66. The applicant provided its organizational chart and the biodata of its key E&S risk experts as well as details of their E&S risk training. The applicant's Managing Director leads the organization and is responsible for final approval of environmental and social policies and plans, as well as funding for implementation. All general managers report directly to the Managing Director. The general manager for technical services manages all technical staff including project managers, and develops the ESF. They also review environmental and social policies and plans for submission to the Managing Director for final approval.

67. The social development managers, systems operation and environment manager and project managers report directly to the general manager for technical services. The systems operation and environment managers develop environmental policies and ESMF

implementation plans. The social development managers develop the social policies and plans. The project managers supervise the day-to-day project activities including implementation of ESMF requirements. The technical and social officers, including the environmental officers, are managed directly by the project managers and are responsible for implementing and monitoring environmental and social activities. The environmental officer is supervised by the systems operation and environment manager. The environmental officer helps to develop policy and performs day-to-day monitoring for ESMF compliance.

68. With the approval of the Managing Director, the general manager for finance and procurement allocates funding for the implementation of the ESMF with the support of the finance and procurement staff. The general manager for corporate services manages the MIS, legal, communications and human resources staff, who are all critical in the implementation of the ESMF. The legal and governance manager ensures ESMF policies and plans are compliant with applicable laws prior to implementation. The legal and governance team plays a critical role in the resolution of grievances and settling matters relating to displacement or resettlement. The MIS manager provides support for managing ESMF documents including publication of information. The communications team develops and provides public information regarding the ESMF to improve awareness. They also play a critical role in stakeholder consultations. The human resources manager is responsible for hiring staff to support the ESMF where additional capacity or competency is required. The IAD reports directly to the JSIF board and will be responsible for independent auditing of the ESMF implementation.

69. The environmental and social team has been sensitized on the requirements of the ESF. A training plan has been developed to include training for staff and other project stakeholders on the requirements of the ESF, which has been approved by the applicant's board of directors for implementation. The training matrix, appraisal report and board approval have been provided by the applicant and reviewed by the AP. The applicant has provided CVs which show that its personnel have experiences in each ESP.

70. The AP finds that the applicant's organizational capacity and competency to implement the environmental and social management system, supported by evidence of its track record, fully meet the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, and the GCF interim ESS standards for maximum E&S risk category B/1-2 projects/programmes with respect to performance standards 1-8.

3.3 Gender

71. The applicant complies with the Jamaica National Policy on Gender Equality,¹¹ as codified in the applicant's operations manual. The operations manual describes the key principles and approach to promoting social inclusion, guiding the applicant's on gender mainstreaming both at its institutional level and at the projects/programmes level. The applicant's gender mainstreaming strategy is more holistic than is common in scope because it incorporates a human rights approach involving the government, private sector and civil society to ensure that women and men have equal access to opportunities, resources and rewards towards promoting sustainable human and national development. The policy is implemented through gender action plans. The applicant provided separately its most recent institutional-level gender action plan for the period Jan 2020 – Jan 2025.

72. The applicant's procedures and practices to support the implementation of its Gender Policy are described in the operations Manual, which also includes the checklist to be completed as part of the appraisal process and presented to the Social Review Committee along

¹¹ See <<https://www.nlj.gov.jm/files/u8/NPGE-JA-FINALwCover21311.pdf>>.

with the project appraisal report. The operations manual also includes gender indicators to be used in monitoring and evaluating project performance.

73. The applicant's Social Development Unit is responsible for ensuring that social dimensions such as participation, gender and development, social safeguards, and management of social risks are incorporated into the three major processes of JSIF operations: national programming, project design, and project implementation and evaluation.

74. The unit performs the following functions within the JSIF project cycle: provides input on social development issues at the senior management level into processes related to project concept design and development; reviews projects screening recommendations and making decisions to reject, accept or proceed into project concept development; chairs the Social Review Committee including review of projects, terms of reference related to social services and making recommendations for amendment, approval or rejection; provides input on social development to guide the development of concept papers, research, manuals, terms of references, reports and other documents; and documents and disseminates best practice and lessons from project results to staff and external parties.

75. The applicant's Monitoring & Evaluation Unit ensures that M&E functions are fully integrated into JSIF operations at all levels, and provides technical support to staff and coordinates reporting at national, organizational and project levels. It is staffed by an M&E coordinator and an M&E analyst, with oversight provided by the project manager for social development/M&E. The applicant provided the CV of its CBC and training coordinator. The applicant provided evidence on training and development programmes for its E&S, gender and other relevant staff, particularly related to the implementation of the Gender Policy.

76. The applicant has provided several project documents including on the St Thomas Women's Agricultural Initiative to help women increase access to market for their vegetables grown in greenhouses for sustainable income and employment. The applicant also provided project documents on its initiative on a Solid Waste Management Project; the Caribbean Coastal Management Program – Product Development and Capacity Building, on developing tourism; a financing agreement for the Treasure Beach Women Group Benevolent Society Promotion and Training; and the Church Pen Drainage Improvement Project. The applicant also provided evidence that, for the Integrated Community Development Project, it ensures its contractors have no gender discrimination in terms of payment; and provided a wage sheet on its Grainville Project showing non-discriminatory practices in terms of benefits and remuneration for both men and women employees.

77. The AP finds that the applicant's gender policy, procedures and capacities, supported by evidence of its track record, fully meet the updated GCF Gender Policy to the extent applicable to accreditation.

IV. Conclusions and recommendation

4.1 Conclusions

78. Following the assessment of the applicant, the Secretariat concludes the following in relation to the application with respect to the potential to continue in the role of an accredited entity and to support the mandate and objectives of GCF: the applicant has the potential to support GCF in implementing its Updated Strategic Plan for 2020–2023 with respect to:

- (a) Bringing complementarity to existing national entities in the accreditation pipeline through the applicant's ability to engage with community-level organizations and support grass root and projects run by civil society organizations.

- (b) The indicative projects/programmes that the applicant intends to submit to GCF within the scope of accreditation recommended by the AP in paragraph 7 above and alignment of said indicative pipeline with country programming priorities. The applicant is engaging with the NDA of Jamaica on relevant country projects/programmes identified in the endorsed GCF country programme and/or otherwise prioritized with a view to bringing a project to GCF if accredited. The applicant's accreditation will strengthen the country's strategy of having key nominated national direct access entities (DAEs) addressing specific but complementary aspects of reducing emissions and resilience-building in addressing the challenges of climate change for a small island developing State;
- (c) Enabling country ownership and increasing the portfolio of DAEs to GCF, particularly as the applicant is the first national DAE in the country to be recommended by the AP for the Board's consideration on accreditation;
- (d) Potential contribution to the adaptation and mitigation balance in the GCF portfolio since the applicant focuses on adaptation and cross-cutting activities and supporting diversity in GCF results areas such as health and food and water security; ecosystems and ecosystem services, and livelihoods of people and communities; and
- (e) Addressing interests of particularly vulnerable groups.

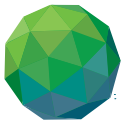
79. Following its assessment, the AP concludes the following in relation to the application with respect to the applicant's ability to meet the GCF accreditation standards identified in paragraph 12 above:

- (a) The applicant meets the requirements of the GCF basic fiduciary standards, and to the extent applicable to accreditation, the GCF Policy on the Protection of Whistle-blowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy; the specialized fiduciary standard for project management; and the specialized fiduciary standard for grant award and/or funding allocation mechanisms;
- (b) The applicant meets the GCF Revised Environmental and Social Policy and to the extent applicable to accreditation, the GCF interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S information in relation to the medium E&S risk (category B/I-2); and
- (c) The applicant has demonstrated that it has a policy, procedures and competencies in order to implement its gender policy, which is found to be consistent with the updated GCF Gender Policy to the extent applicable to accreditation, and has demonstrated that it has experience in gender considerations in the context of climate change.

4.2 Recommendation on accreditation

80. The AP recommends, for consideration by the Board, applicant APL115 for accreditation as follows:

- (a) Accreditation type:
 - (i) **Maximum size of an individual project or activity within a programme:**
small (including micro);
 - (ii) **Fiduciary functions:**
 - (1) Basic fiduciary standards;
 - (2) Specialized fiduciary standard for project management; and
 - (3) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and



- (iii) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2) (including lower risk (category C/intermediation 3 (I-3)¹²)).

81. The applicant has been informed of the recommendation for accreditation including the accreditation type as identified in paragraph 80 above, and agrees to the recommendation.

¹² As per the GCF Revised Environmental and Social Policy adopted in decision B.BM-2021/18, category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts,” and intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts.”